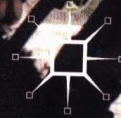


# Global Civil Society

## 2012

### Ten Years of Critical Reflection

Edited by Mary Kaldor, Henrietta L. Moore  
and Sabine Selchow





## GLOBAL CIVIL SOCIETY AND THE RISE OF THE CIVIL ECONOMY

Robin Murray

**A New Millennium**

Ten years is a long time in economics. The decade opened with the Nasdaq crash and finished with a world financial crisis, which hit first the banks, then national governments, and is now calling at the doors of the international financial institutions. The world's mass production continued its move to the East, with the result that by the end of the decade China alone had doubled its share of world GDP (gross domestic product – from 7 per cent to 13 per cent in relative purchasing power) and had become the world's largest manufacturer, its largest exporter and, by 2011, its second largest economy. That growth has darkened further another shadow: climate change. The past decade has witnessed the highest average temperatures on record, with the Arctic ice cap melting to an all-time low.

At the same time over these ten years, the Web economy has taken off. Google was only two years old at the start of the millennium. At that point it had developed an infrastructure of 6,000 web servers and indexed 1.3 billion webpages. It now runs 1 million servers in data centres globally, has an index of 46 billion webpages and processes 1 billion searches a day. And this is just one marker of the growth of a new economy of the ether, one that operates in cyberspace and makes its connections by airwaves and spectrums rather than roads and railways.

This is a discordant symphony, with its powerful global contraflows of creation, crisis and destruction. Yet it had its counterpart in the continuing and ever expanding response to globalisation from civil society – part-political, part-cultural, part-economic. From time to time this response has made the headlines, but for the most part it has spread through a multitude of initiatives that, taken together, may shape the nature and direction of the world's economic future.

**Global Civil Society**

Ten years ago, in the launch volume of the *Global Civil Society* yearbook, the editors defined civil society as 'the sphere of ideas, values, institutions, organisations, networks and individuals located between the family, the

state and the market and operating beyond the confines of national societies, politics and economies' (Anheier et al. 2001: 17). It was autonomous and interstitial and challenged both the state and the multinational corporate economy.

In its twentieth-century conceptual origins and in the studies that the yearbooks have contained, the notion of civil society is first and foremost a political one. Developed within the context of dictatorial states, and in what was increasingly experienced as an absolutist global market economy, civil society created both spaces of survival and platforms for contesting the existing order. How this contest has developed since the first yearbook is one strand of the story of the past decade.

The economy is a central theme of that story. The chapters in the yearbooks have discussed the various positions taken by civil society movements in relation to the great contemporary economic issues: international money and trade, aid and the environment, and the many global dimensions of labour – wages, trade unions, the insistent surge of international migration. On these issues, and in specific sectors like water and food, or the media and sport, the movements have mounted a political challenge to the policies and practices of states and the corporate global market. They have contested how others run the economy.

This chapter is about another side to the story, a second strand closely linked to but distinct from the first. It is about the innumerable cases all over the world where people have taken matters into their own hands and set up for themselves. It is a kind of productive democracy, and as such is part of a long-term shift. For much of the twentieth century, the main alternative economic projects were state-driven national ones; however, since 1989 and the fall of the Berlin Wall, there has been a surge in these micro-economic initiatives. It is as if the energy that had been focused on creating alternative national economies has been redirected towards creating new versions of the economy from below.

In some cases these initiatives have been a matter of economic survival. In others, their creators aim to show



that another way is possible; a kind of propaganda of practice. There are a growing number of areas where neither the private market nor the state are providing adequate services, and where social initiatives are proliferating as a result. All of these different types have intensified in the past decade, and been further extended by developments in the internet. Taken together, they amount to another form of economy: one that is driven by social and environmental rather than financial imperatives, and is fuelled by a mixture of necessity and enthusiasm. I refer to this as the civil economy.

### The Civil Economy

One of the issues in civil society theory is whether or not the concept includes the civil economy. For the civic humanists of the Italian Quattrocento, as for Adam Smith and his Neopolitan contemporary Antonio Genovese, the civil economy was a central element in civil society.<sup>1</sup> It was considered a market economy with autonomy from the state, but embedded within social norms and marked by the principles of trust and reciprocity. For these authors the market was both subordinate to society and helped to reproduce it. As a means of connecting small scale producers it had not yet been coupled to the imperative of capital accumulation, nor the tendency to erode social ties rather than strengthen them.

Once industrial capitalism took off and the market economy was seen more in Hobbesian than in civic terms, a civil society that encompassed the market economy came to be thought of either as grounds for a state that represented the general interest (Hegel), or, later, when the state was clearly imbricated with private capital, as a cultural and political space separate from the economy (Gramsci). It is this latter view which has remained predominant in contemporary analyses of civil society.<sup>2</sup>

The experience of the past 20 years suggests that we need to revise these approaches. First, the civil economy as it has developed is both a cultural and a political space. It is not just an idea or a demand, but an alternative realised in practice. As such it carries political and cultural weight whether or not it is part of a wider social movement. Second, while it may engage both with the market and the state, it is an autonomous productive force, a 'sphere of ideas, values, institutions, organisations, networks and individuals' applied directly to economic production and circulation. It is a significant element in the concept of civil society.

Figure 9.1 shows the civil economy as a subset of a hybrid social economy. The key distinction underpinning

the diagram is not between the market, the state, and some notional third sector, but between those parts of the economy that are driven by social goals (the social economy) and those which are subject to the imperatives of capital accumulation. I see this as the major distinction in contemporary political economy.

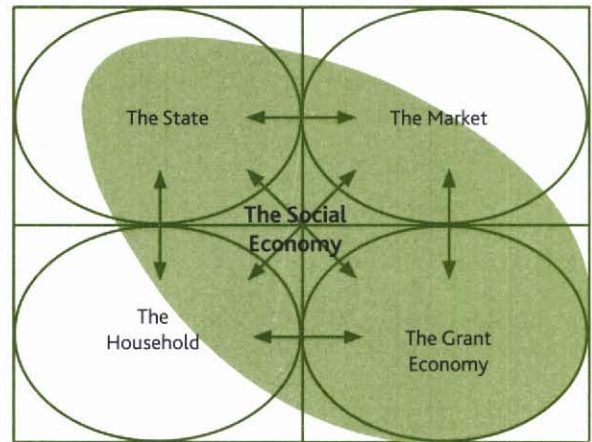


Figure 9.1 The Social Economy

The social economy, represented by the shaded egg-shape in the diagram, overlays the four sub-economies shown in the diagram. These sub-economies are each distinct in how they are financed, in who has access to their outputs and on what terms, what social relations they entail, how any surplus is distributed, and what forms of economic discipline are exercised over them. We can describe them as governed by reciprocity (the household), the gift (the grant economy), the exchange of equivalents (the market), and the combination of levies and bounties (the state). They are not separate economies, but rather represent distinct, semi-autonomous but inter-related economic force fields.

In some cases the state may be functionally integrated into the requirements of capital accumulation, just as the grant economy may act as a subaltern to private corporations or to an incorporated state. But there is nothing intrinsic within the nature of the state, the grant, or the household economies that drives them towards capital accumulation. As economies they are oriented to their own social goals; each can operate in the market in pursuit of their goals without being drawn into the vortex of accumulation.

I have drawn the shaded egg-shape of the social economy (optimistically) large. All the grant economy



## Box 9.1

### Co-operatives and Global Growth: The Case of Mondragon

Co-operatives are one of the longest established and resilient forms of the civil economy. Having taken off in Europe in the mid nineteenth century, they spread to North America and then to Russia, as part of a thriving civil society that existed before the Soviet revolution (Chayanov 1991, Dowler 2010). There was further expansion during the Great Depression, particularly in the US. In some cases – as in post-colonial Africa – their development has been top-down, driven by states seeking a new form of democratic economy. However, for the most part they have been grassroots reactions to the workings of the mainstream economy.

Having started small, and due to their democratic structure, there has been an underlying resistance to the loss of control that accompanies size. In this sense, co-ops are emblematic of the civil economy. Set against this are the counter-pressures of scale, scope and systemic coordination that are strong drivers of corporate expansion and of globalisation. 'As large as is necessary, as small as is possible' is a motto of the Dutch credit unions, encapsulating the tension between the two.

Globalisation has been a force making the 'necessary' larger. It has pulled many co-ops beyond their home boundaries, particularly those involved with finance and industry. The long-established credit unions or *caisse populaire* – notably in Holland, Germany, France, Austria and the Canadian provinces of Quebec and British Columbia – have had to strengthen their collective bodies and engage internationally (see Figures 9.6, 9.7 and 9.8). There have been similar pressures on industrial co-ops engaged in world markets. The Mondragon group of co-ops – now the seventh largest industrial group in Spain, with €15 billion annual sales – responded to the liberalising of the economy in the 1980s and Spanish entry into the EU by strengthening its central corporate bodies and expanding overseas. Capital goods co-ops established plants close to their clients, and some processes were passed over to subsidiaries in areas of cheaper labour. The 120 Mondragon co-ops ([www.mcc.es](http://www.mcc.es)) now operate 250 plants in 16 countries, including two plants in India and 13 in China (Sanchez Bajo and Roelants 2011).

There is a danger that scale and globalisation leads to the loss of the civil essence of co-operation. In some of the insurance or

building society mutuals there is no real sense of ownership by members, with cooperative governance formal rather than real; these are the ones most vulnerable to threats of demutualisation. And even at Mondragon, a former manager described the post-liberalisation group as 'too large, too multinational and too capitalist' (Ramesh 2011); only 50 per cent of Mondragon's 85,000 employees are themselves members.

Yet, even with these limitations, Mondragon, like similar industrial co-ops in Europe, remains distinctly civil. The group's primary interest is the collective welfare of its members and surrounding communities. It has an uncaptalist loyalty to place and social equity. The pay ratio between bosses and shop floor workers is 5:1. Losses in one unit are covered by profits in another. Divisions cannot be sold nor members made redundant. If a plant is forced to close, its workforce has to be re-employed within a 31-mile radius. Workers save a portion of their share of profits, which they realise as a pension. Like all such co-ops, governance is by its members and their primary organisations.

It is striking how many co-operatives have been able, like Mondragon, to couple competitiveness with a civil purpose. Their local rootedness and ethical commitment have been a key part of the trust and consequent commercial success they have enjoyed. Credit unions encourage the local investment of their surpluses, as do the retail co-ops. This explains why they have often become key players in their local and regional economies, as well as proving remarkably resilient in the face of financial crisis.

Other parts of the civil economy have much to learn from how co-operatives have developed such complex capillary systems that marry the economies of scale and specialisation with the benefits of decentralised autonomy. Co-operatives can equally learn from the way in which many of the new actors in the civil economy – particularly in the software, cultural and environmental fields – have developed strong interactive cosmopolitan networks, as well as new forms of productive democracy.

**Robin Murray**

is included since nominally it is defined as serving social goals. So is a minor segment of the market representing social enterprises, co-operatives and petty producers, such as those small farmers and artisans who operate according to the model of the civic humanists. Some parts of the state are excluded (such as the military), while from the household economy I include all those activities that involve inter-household collaboration, whether of mutual support, common projects, or the voluntary economic activities of social movements.

The civil economy is a subset of this wider social economy. It is represented by those shaded parts of the social economy egg that are autonomous from the state. In some countries and in certain periods, the distinction is minor: there is a close relationship between the state and the other parts of the social economy; they share goals and pool resources. But in other cases – and notably in the global arena – the distinction is significant, particularly where the state or states have been subordinated to the requirements of accumulation. We then have the kind of turbulence that results when two currents run against each other.

What the intersecting figure suggests is that the civil economy is far from homogeneous. It includes enterprises established by professional associations and by intentional communities; inspired by environmentalism or social exclusion. There are charities and foundations, civic associations and numerous other forms of formal and informal cooperation. Many institutions, whether religious organisations, guerrilla movements, prisons, or schools, have their own internal economies. The goals of these diverse organisations may be different, but what is shared is that they are driven by top-line social or institutional goals rather than bottom-line financial ones.

## The Re-Emergence of the Civil Economy

The mass production paradigm that dominated twentieth-century economies had little space for the civil economy. The role of the household was to provide labour on the one hand, and a demand for commodities on the other (the \$5 day). The home, whose associated daily tasks were themselves revolutionised by the new mass-produced goods, was redefined as a site of passive consumption rather than active production. Wider social provision – from social insurance to health, education and housing – which in the nineteenth century was provided by the civil economy or the private market, was now supplied on a mass basis by the state.

But side by side with the process of globalisation, there is evidence of a surge in new civil economic activity. The expansion of NGOs picks up pace from the mid 1970s and by 2005 the Johns Hopkins Project estimated that the non-profit sector of its 40 sample countries had an operating expenditure of \$2.2 trillion and accounted for an average of 5.6 per cent of the workforce. Historical data for five of the countries showed non-profit institutions growing at twice the rate of national GDP (Salamon 2010: 187, 201).<sup>3</sup> There has been a parallel expansion of philanthropic funding: the number of US foundations more than trebled between 1980 and 2009 (from 22,000 to 77,000), with grant-giving rising by nearly a third in real terms from 2000 to reach \$45.7 billion in 2010.<sup>4</sup>

These data reflect the US emphasis on the non-profit element of the civil economy. There is an even larger sphere of civil ‘for profit’ enterprises. One sizeable group are co-operatives, which are estimated to have a worldwide turnover of \$3 trillion (ICA 2011). Both nationally and sectorally they have been expanding (see Box 9.1 for more details, and Map 9.1 for a selection of co-operative activity around the world). The number of credit unions, a specific type of financial co-op, went up from 37,000 to 53,000 between 2000 and 2010, their membership grew by two thirds to 188 million, and their total savings more than doubled to \$1.2 trillion (see Figures 9.6, 9.7 and 9.8).

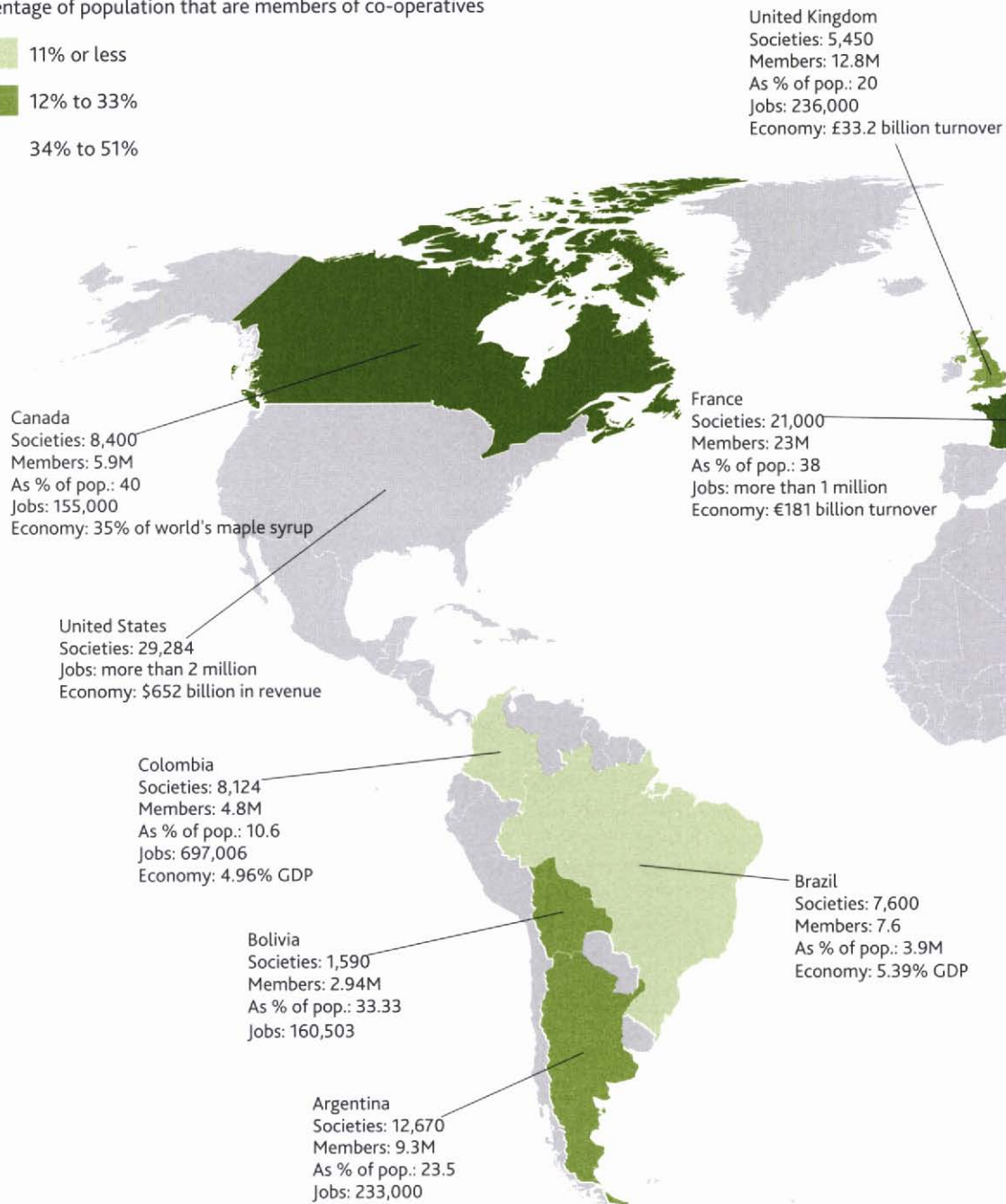
While in Europe there is a strong tradition of industrial and consumer co-ops, in the developing world it is agricultural co-ops that have been in the forefront of the movement. In Latin America they were promoted by governments in the early 1980s, then contracted as a result of neoliberal policies. Over the past decade they have revived and expanded not least because of the growth of another recent civil economic movement, fair trade (see Box 9.2). Fair trade global sales trebled between 2005 and 2009 to €3.4 billion, with the UK accounting for over £1 billion (see Figures 9.2, 9.3, 9.4 and 9.5). Three quarters of fair trade is sourced from co-ops, and this has helped to expand and establish new farmer co-ops not only in Central and Latin America, but in Africa and Asia.<sup>5</sup>

There are many social enterprises that are not co-ops. The data have not kept pace with the experience of their growth, social enterprise being only recognised as a category in the early 1990s. An official estimate put their number in the UK in 2010 at 62,000, of which only 8 per cent were co-ops, and evidence from continental

# Map 9.1 A Selection of Co-operative Activity Around the World

Percentage of population that are members of co-operatives

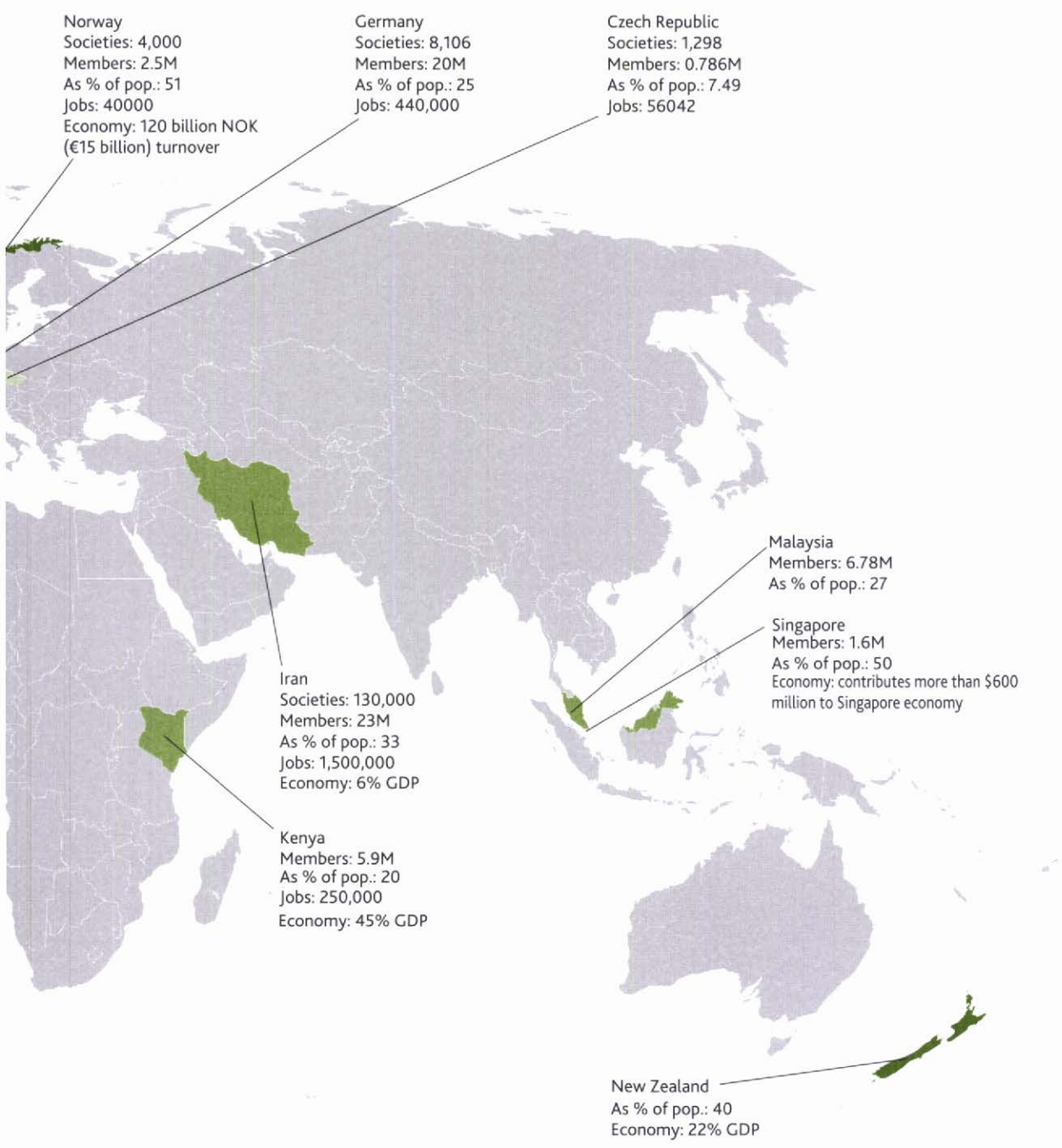
- 11% or less
- 12% to 33%
- 34% to 51%



Note: Data on co-operatives are not always comprehensive, and are generally based on the best information available to umbrella organisations in each country. Most of the data here are from 2008 or 2009.

Source: ESRI; The International Co-operative Alliance (<http://www.ica.coop/coop/statistics.html>), or the websites of their members, accessed in 2011.





Europe suggests that there is a similarly large body of social enterprises in addition to formal co-ops.<sup>6</sup>

These data do not cover many of the less formal associations, nor the informal collaborations whose growth has been one of the most striking features of the past decade. But they bear out the general proposition of growth of the civil economy, and help explain the recognition that is now being given to it as a source of human-centred production, employment, and social innovation.

In 2006 the Labour government in the UK established an Office of Third Sector – now the Office of Civil Society. The Obama Administration created an Office of Social Innovation in 2009 and the European Union followed suit by launching Social Innovation Europe from its Enterprise and Industry Secretariat in 2011. The United Nations meanwhile has declared 2012 the International Year of Co-operatives. Having been marginalised and at times attacked during the twentieth century, the civil economy is now being officially promoted on the public stage.

## Causes of the Expansion

What accounts for this striking upsurge, what Louis Salamon calls a ‘global associational revolution’? One view is that it is the result of globalisation and the neoliberal restructuring of the state (Pawel Zaleski 2006). Another is that it is part of a wider global movement for economic democracy and social justice; a third that it represents a search for identity and meaning by an expanding class of knowledge workers (Drucker 1989). In this chapter I want to identify three forces that I believe have particular relevance:

### The Counter Movement of the Marginalised

If we understand the period of globalisation as one of intense creative-destruction in the Schumpeterian sense, the counter movement can be framed in a Polanyian one. Karl Polanyi argued that market liberalism was an unsustainable and utopian project, because it threatened to destroy the social and environmental conditions necessary for a market society to flourish. State-led attempts to impose unregulated liberalism by treating labour, land and money as commodities would provoke a counter movement for the ‘self protection of society’ led by those suffering at market liberalism’s hands. Drawing on the first instance of such an uninhibited liberal project, the 1830s in industrialising Britain, he cites as the counter movement the political campaign of the Chartists, the economic alternative of Owenism and the remarkable growth of co-operation from the 1840s onwards.

There is such a counter movement to global neoliberalism now taking place. La Via Campesina is in many ways a contemporary parallel to the Chartists. It was formed by peasant movements in 1993 and has grown and strengthened in the past decade, its members now representing 500 million peasants and family farmers from both the developing world and North America, Europe and Japan. Their platform has strong echoes of Polanyi. ‘We do not own nature – it is not a commodity’ (La Via Campesina 2011). They demand domestic food sovereignty as a means of protecting a peasant life based on reciprocity and rural ecology against the unregulated and unequal power of international markets. It is a political movement on a global scale. It is also an economic one, the rural equivalent of Owenism. It has involved the strengthening of peasant co-operatives and of ecological farming practices and the expansion of control by these co-operatives of the food chain nationally and internationally (through fair trade).

Many similar responses are found in towns and communities, all over the world, hit by structural adjustment and liberal trade policies. In the south, Argentina – hit by the default crisis of 2001–02 – exemplifies the growth of civil economic initiatives provoked by crisis. They range from the development of local currencies to the takeover of 200 abandoned industrial plants (the *fabricas recuperadas*) by worker co-operatives, all but four of which are still operating.<sup>7</sup>

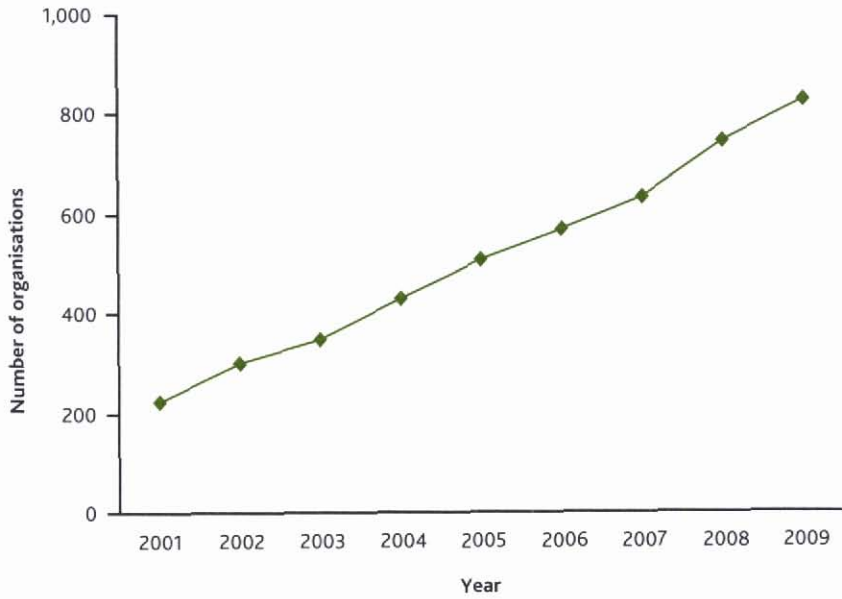
In the north, a flourishing movement for community economic development sprung up in Canada. It was concentrated in those places hit by industrial decline after the introduction of the North American Free Trade Agreement in 1990, as well as among marginalised areas such as declining fishing communities or people from the First Nations. In Europe, a strong current in the expansion of the civil economy has been the so-called ‘work integration social enterprises’ that are geared towards creating jobs for those excluded from the labour market.<sup>8</sup>

What runs through these counter movements is a spirit of self-reliance, a strong sense of human (and in many cases ecological) well-being as the starting point for any economy, and an opposition to neoliberalism. In the words of the Landless Workers Movement (the MST) in Brazil, ‘the enemy is the model’.

### Economic alternatives

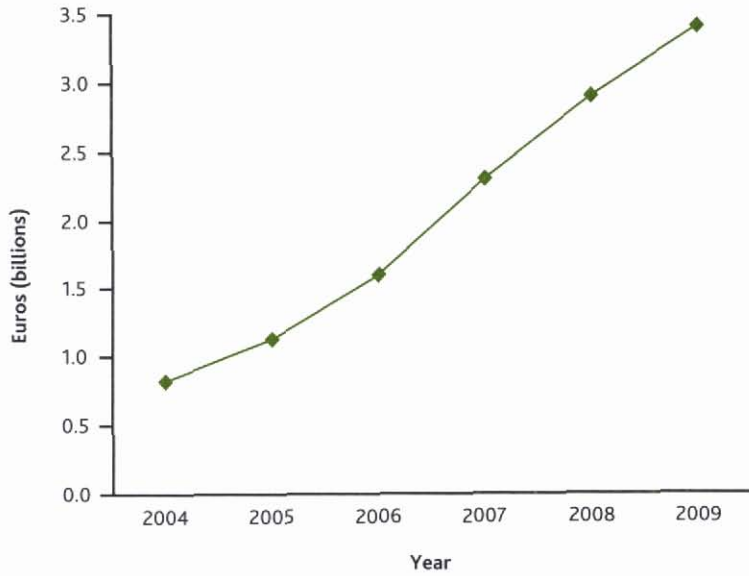
Although counter movements have traditionally sprung from the marginalised, what is striking in the current era is that there is a second counter movement that is lodged





Source: Fairtrade Labelling Organisations International Annual Reports (2007 and 2009–10 reports).

Figure 9.2 Numbers of Fair Trade Certified Producer Organisations Worldwide, 2001–09



Source: As Figure 9.2.

Figure 9.3 Estimated Global Fair Trade Retail Sales in Billions of Euros, 2004–09

## Box 9.2

### The Rise and Rise of Fair Trade

Fair trade has risen as a counterpoint to neoliberalism. The term 'fair trade' was first used in 1988, a year that saw a sudden surge of new solidarity trading projects. They took a variety of forms and followed different economic paths. What has been common to them all is the attempt to resocialise the market, to make it an instrument for the redistribution of power and resources and redraw the institutional architecture of international trade.

Initially the contacts were contingent and direct. Fair trade in Japan, for example, began with drama. A group of dispossessed sugar workers from the island of Negros in the Philippines were invited to Japan to perform their story to the members of a large consumer co-operative. As a result of their tour, Altertrade ([www.altertrade.co.jp](http://www.altertrade.co.jp)) was founded in 1988 to provide a market for whatever the sugar workers were able to produce. Finding artisan sugar a difficult product to sell at the time, they then switched successfully to an unusual local variety of organic bananas. Twenty years later they export \$30 million of these bananas annually (see Figure 9.5 for a comparison of the growth of fair trade sugar and bananas).

The secret of Altertrade's success has been the direct link between the producers and the consumer co-op. They refer to this as 'people to people trade' and support it with a programme of mutual visits and exchanges. Other products from neighbouring countries have since been added (notably shrimps and coffee). In each case the aim has been to provide export earnings to finance the development of the kind of self-reliant agriculture that La Via Campesina has campaigned for at the global level.

Such an approach requires three things: farmer co-operatives, some form of consumer organisation, and an accountable intermediary to organise the trade. Together they allow the goods to bypass mainstream retail chains, the consumer network acting as a retail bridgehead for multiple fair trade products. Altermercato ([www.altromercato.it](http://www.altromercato.it)), the largest fair trader in Italy with a turnover of \$48 million, is another version of this model. Also founded in 1988, it is a network of 125 solidarity co-ops that run 300 *botteghe del mondo* (world shops). They jointly own CTM, a co-operative wholesale importer, which sources the products sold in the shops and acts as a connector between its co-operative suppliers and consumers.

We could say that these shops carry within them the political economy of the world in one hundred objects. The products each have their own narrative – a bunch of bananas comes from a Costa Rican co-op established after Chiquita's closure of its plantations; a packet of spaghetti is produced by a co-op of people with learning difficulties on land confiscated from the Mafia in Sicily. The shops act as centres of such storytelling, stories that those coming to the shops can then play a part in, whether simply as

shoppers, or as champions of the products and their producers. And whether the visitors are schools, municipalities, local businesses, or simply passing individuals, the shops offer a site for engagement. Run on the basis of enthusiasm by 6,000 volunteers, with the support of 400 paid staff, Altermercato is a movement that takes the form of shopkeeping.

In North America, such direct trade originated with religious groups like the Mennonites and the Church of the Brethren, who had for some time been selling crafts through churches, bazaars and shops supporting the developing world. Oxfam and Traidcraft had similar craft origins in the UK; Traidcraft also established a mail order catalogue, on similar lines of Pueblo to People in the US. Initially at least, these were alternative traders, independent of the mainstream.

As fair trade took root, there was pressure, not least from the producers, to engage directly with the mainstream. One path, exemplified by Twin Trading ([www.twin.org.uk](http://www.twin.org.uk)) in the UK, has been to develop fair trade brands. The economic rationale behind this was that it was in branding that the main surplus was to be found; producers therefore needed to have their own brands. Twin had been founded in 1985 to help post-revolutionary countries in the South, but in 1989 switched direction to support Mexican coffee co-operatives hit by the collapse of the International Coffee Agreement and the slump in prices.

After two years of successful green coffee trading, Twin and the producer co-ops decided to establish their own coffee brand. In co-operation with other fair trade sales networks, they formed Cafedirect ([www.cafedirect.co.uk](http://www.cafedirect.co.uk)), which became a flagship for fair trade in Britain. It was sold predominantly through mainstream supermarkets and coffee shops and by 2005 had become the sixth largest coffee brand in the UK. The brand profits meant that Cafedirect could pay up to three times world market prices and fund an extensive programme of technical support for the producers. It was a model aimed at reversing the direction of power in the supply chain, and Twin extended it into cocoa (Divine; [www.divinechocolate.com](http://www.divinechocolate.com)), fresh fruit (Agrofair UK), and nuts (Liberation; [www.chooseliberation.com](http://www.chooseliberation.com)) all of them, including Twin itself, co-owned by the producers.

Branding lacked the direct connection with consumers but it widened the market. Its product range, however, was limited, for it took seven to ten years to establish a successful producer-led brand. The major market widening came through another channel, the generic mark. The first fair trade mark was established in Holland in 1988 by the liberation theology group Solidaridad ([www.solidaridadnetwork.org](http://www.solidaridadnetwork.org)) and a Dutch priest, Fritz van der Hoff, who had been working with small coffee farmers in Mexico.



It was an immediate success. It could be carried by any coffee that met the set criteria, and over the next nine years the idea spread to many products and countries. In 1997 the national marks combined to form the Fair Trade Labelling Organisation (FLO; [www.fairtrade.net](http://www.fairtrade.net)) – an international body that ensures consistency of the criteria and the main product lines of the mark's global expansion (see Figure 9.2).

While solidarity groups had pioneered the concept and the practice of fair trade, and continued to grow (their current turnover is some \$200 million), the mark radically extended it. FLO registered sales rose from €220m in 2000 to €3.4billion in 2009 (see Figure 9.3). Of the sales total, a third is in the UK, where all the main supermarkets carry fair trade products and 70 per cent of consumers recognise the mark.

Has the mark diluted fair trade by its engagement with the mainstream, or significantly changed the mainstream by drawing it into fair trade? This is the point of tension. On the one hand, there are pressures to weaken fair trade criteria. Rival labels like Rainforest Alliance and Utz Kapeh have sprung up which lack the small farmer focus, the price guarantees and advance credit requirements of FLO. They have come to dominate some continental European markets, putting pressure on FLO, while Transfair, the US fair trade label, has sought to modify FLO criteria to meet the requirements of major multinationals. When multinational brands like Nestlé, Cadbury, Starbucks and even Chiquita register some of their products as fair trade, it threatens to drain the concept of its meaning.

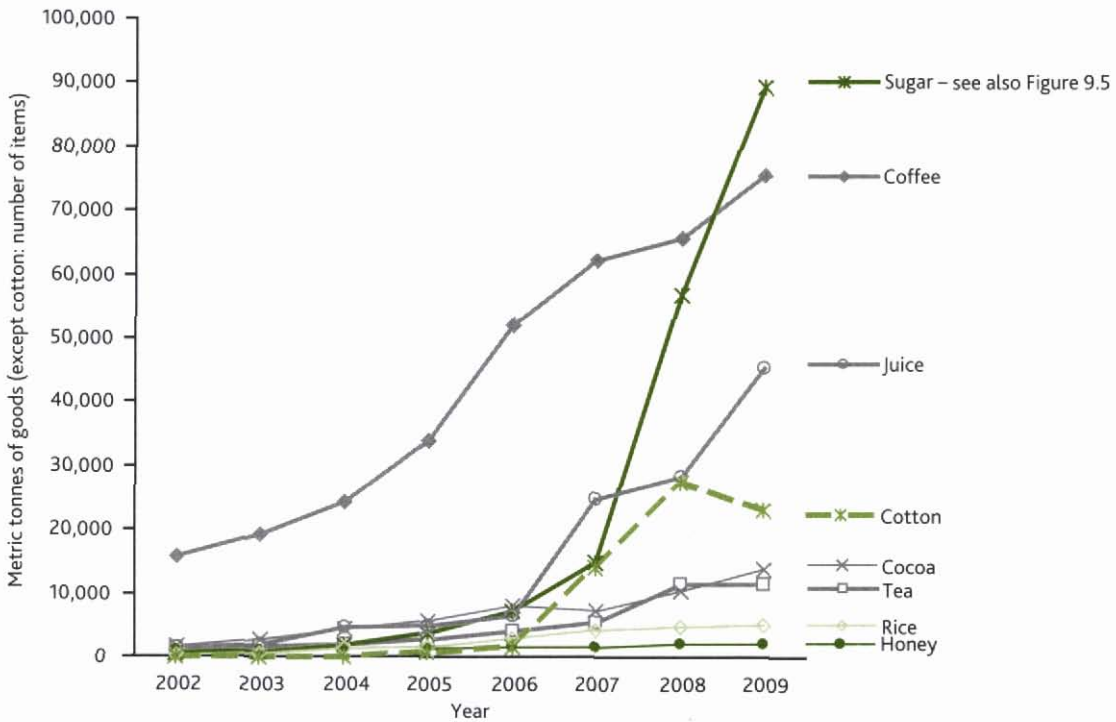
On the other hand, fair trade has expanded its own autonomous economy. In the South it has strengthened small farmer co-operatives against the forces of the world market. Some have developed joint marketing organisations, as well as their own processing capacity. They are increasingly providing

each other with consultancy and advice. There are international co-operative groups of small farmer co-ops dealing with coffee, fresh fruit and nuts, and regional groups of small farmer co-ops in Latin America, Africa and Asia. The principles of '*commercio justo*' have now been taken up by Latin American governments through the Bolivarian Alliance for Peoples of the Americas (ALBA), which provides for minimum price guarantees, advanced credit, and development financing for small farmer co-ops exporting within the nine-country alliance.

In the North, fair trade has spilled over from the checkout. In Britain, trade justice campaigners declared the small town of Garstang a fair trade town in 2000. The idea spread with the force of a fire. There are now nearly 500 fair trade towns in the UK and 336 in other countries, including in Costa Rica and Brazil. In Britain there are also 60 fair trade universities, 1,500 fair trade schools and 4,000 fair trade faith groups. Wales has even announced itself as the first fair trade country. They are drivers in the growth of ethical consumption – in the proposition that there is a politics in what you buy.

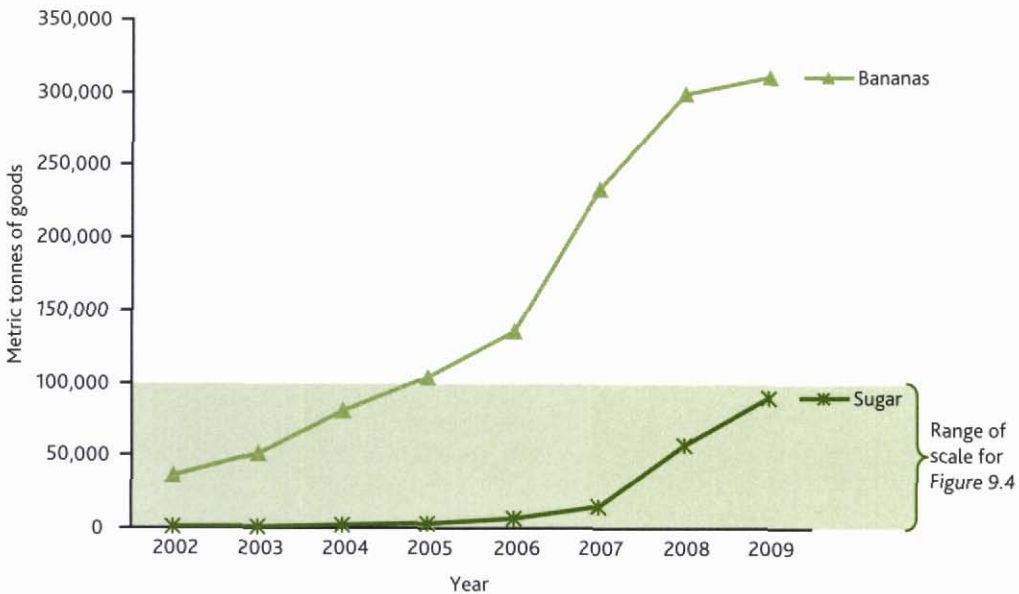
The core idea of fair trade remains strong. It represents a form of globalisation from below. Its extension into the mainstream market, and now via ALBA into government policy, is a mark of its success. Many of the studies of its impact focus on the economic gains for producers, but its significance goes well beyond that. It has enhanced the power of producer co-operative organisations. It has developed institutions that provide markers for new forms of global economic governance. And it has issued a general invitation to look beyond the appearance of commodities and inquire into the conditions of their production – part of a wider trend towards a new era of economic transparency.

**Robin Murray**



Source: Fairtrade International's annual reports, from 2003/04–2009/10. [http://www.fairtrade.net/annual\\_reports.0.html](http://www.fairtrade.net/annual_reports.0.html).

Figure 9.4 Growth in Volumes of Fair Trade Labelled Products, 2002–09



Source: As Figure 9.4.

Notes: 2010 figures not available at time of going to press. Cotton figures only published from 2005.

Figure 9.5 Growth in Volumes of Fair Trade Labelled Products, 2002–09: Bananas and Sugar



at the heart of the mainstream. It argues for alternatives not just for those people and places abandoned by the market, but for the core structures of the mainstream itself. The alternatives that it promotes are not, as in the 1930s, about national models of economic management – more or less central planning – but about the very models of production and consumption that prevail in the world economy, whether private or public, planned or unplanned.

The leading challenge to the status quo has come from the environmental movement, not only in the field of resources – energy, water, waste, forests and farming – but also against the oil-based, resource-intensive and hazardous character of the economy as a whole. The challenge has been at the same time particular and universal, directed at both the policies of governments and the practices of corporations. In each case successful campaigners have recognised that they first needed to develop their own alternatives. Some have established laboratories to show that products could be made without the use of hazardous chemicals; others started solar companies and local wind co-ops. Many countries saw the growth of community recycling networks, and social companies have built zero-energy housing. In Brazil there were remarkable social innovations in low-powered rural electrification. A recent catalogue listed 110,000 environmental initiatives of this kind.

Similar stories are increasingly common in other fields: in the media there are leading newspapers owned by trusts (like the *Guardian*) and a growing number of community cable channels; in the field of finance, there has been the widespread growth of credit unions (see Figures 9.6, 9.7 and 9.8) and socially-driven micro credit enterprises. Football fans are not only fighting the finance-driven ownership of football, but are starting their own clubs or taking over ones in difficulty; Real Madrid, Barcelona and Benfica are all co-operatives. Campaigns against industrial food chains have generated a remarkable alternative food economy, from organic farming and local processing to consumer food co-operatives; in Japan, for example, the latter have 12 million members (ICA 2011). In health and personal services there has been a flowering of campaigns and development of alternative services, from birthing to education and on through each stage of life, to the care of the aged and to dying and mourning.

This remarkable growth of civil alternatives can, at least in part, be seen as a Polanyian counter movement to the commodification of labour, nature and money. He no doubt would have felt his propositions confirmed by the

rise and strength of opposition to the industrial destruction of nature and to the inequalities to which that gives rise, as he would by the growth of alternative finance. But many of these alternatives go beyond Polanyi's categories. They concern alternative forms of consumption, of ways of living and caring, of being human in the widest sense. And they are also a counter not only to the impact of a disembedded market, but also to the limitations of a particular model of the administration of the state.

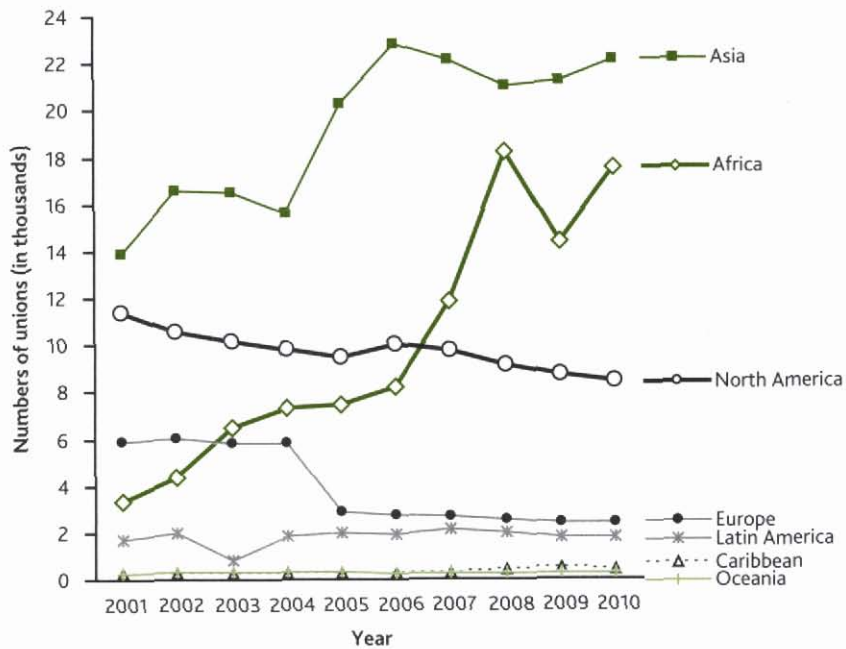
### The ICT Revolution

It is one thing to develop counter movements and civil alternatives; quite another for them to have more than marginal significance or to shift the structure of economic control. It is striking that some of the civil innovations are taken up by private corporations (zero-energy housing for example, or fair trade) or adopted by the state (the hospice movement in palliative care, for example); one way in which the civil economy and its significance is now being viewed is as a source of social innovation for the private market and the state.

What this reflects is the emergence of problems for which neither the market nor the state, in their current forms, has persuasive answers. Multiple environmental issues are such an example; the twenty-first-century epidemics of diabetes and obesity, another. Chronic disease more generally, together with issues of funding and caring for an ageing population, are described as time bombs for health care and public budgets. Then there is the incessant widening of the gap between rich and poor, exacerbated by the crisis of private and public finance. The civil economy has been a laboratory for alternatives on all these issues.

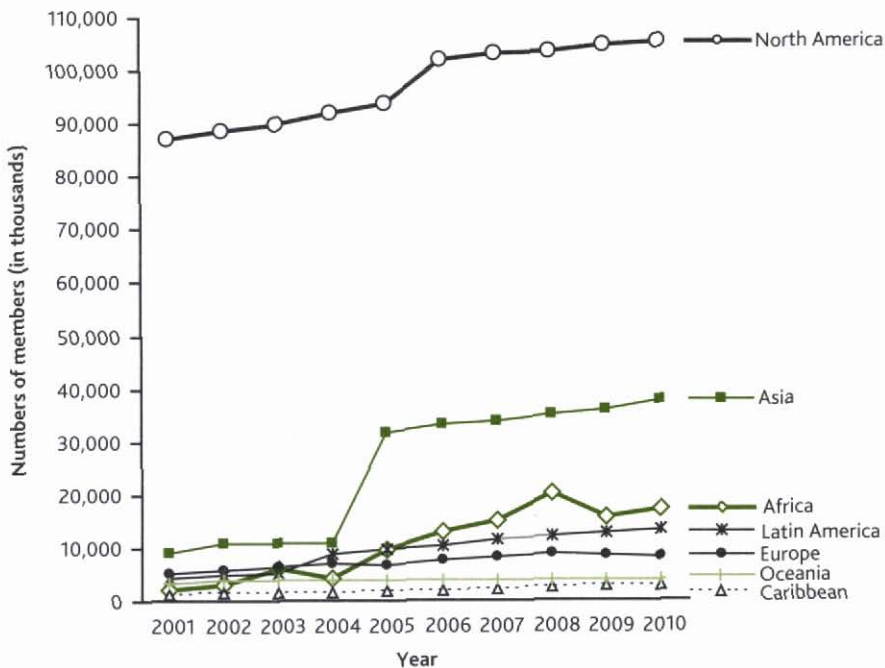
The question is whether these alternatives can be incorporated into the forms of the private market and the state as they stand, or whether there will have to be a change in those forms. Does the civil economy have a long-term place in the next economic phase, rather than being merely a pressure valve, a provider of first aid, and a source of innovative prototypes?

The answers may be found partly in the counter movements and the extent to which they can reshape the mainstream. But there are also significant forces that are expanding the civil economy that have arisen from within the womb of the mainstream itself. This is a departure from Polanyi, because these forces are less about the 'self protection of society' from erosion by the market, than the creation of new productive relations from within capitalism itself. Put schematically, the last decade has



Source: 2010 Statistical Report, World Council of Credit Unions.

Figure 9.6 Numbers of Credit Unions, by Region, 2001–10



Source: As Figure 9.6.

Figure 9.7 Numbers of Members of Credit Unions, by Region, 2001–10



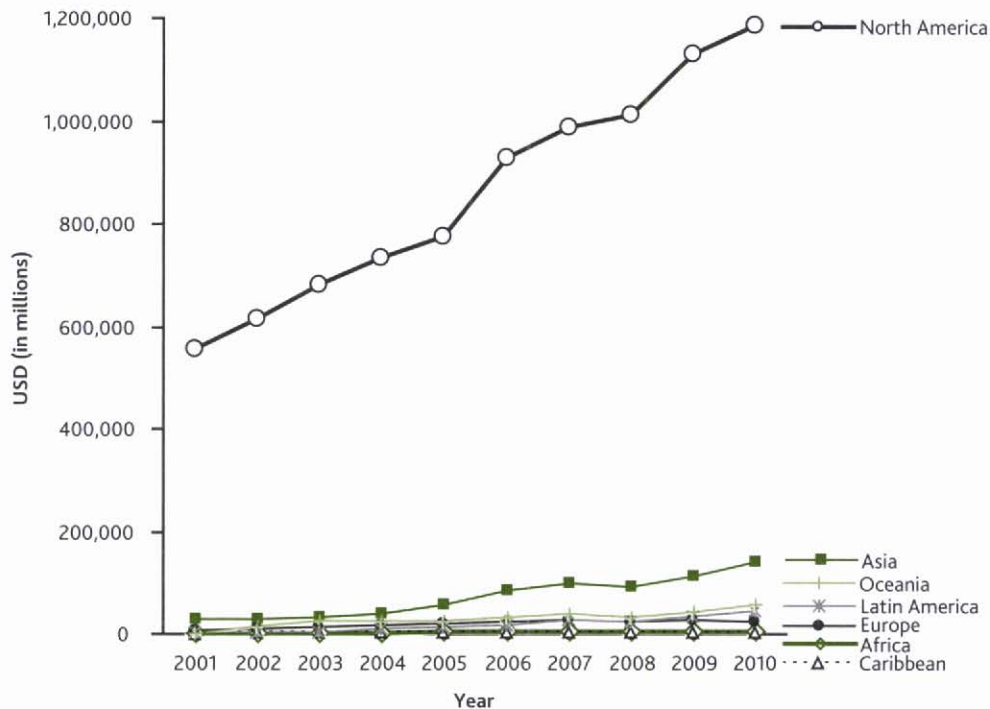
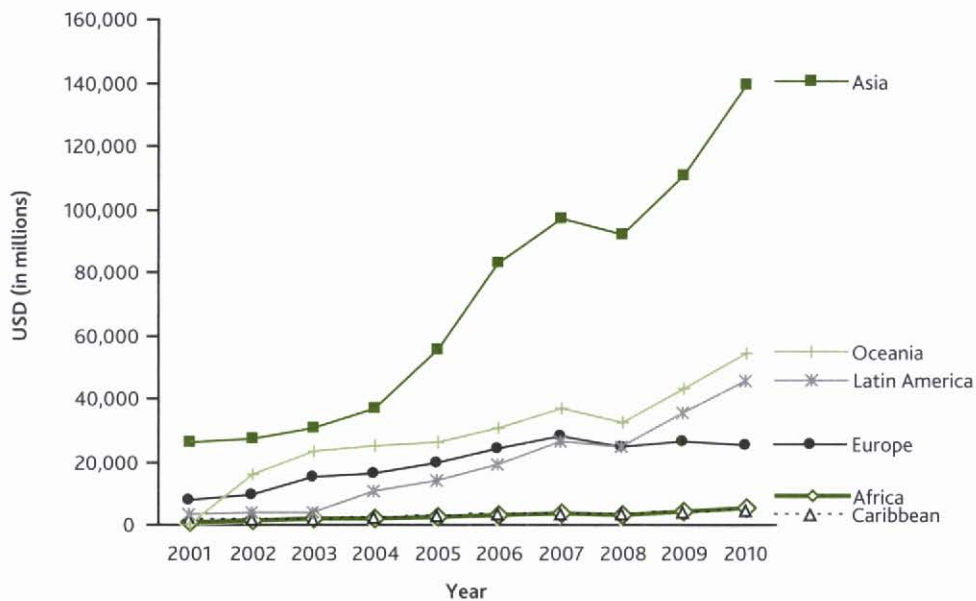


Figure 9.8 Assets of Credit Unions in Millions of US Dollars, by Region, 2001-10



Source: 2010 Statistical Report, World Council of Credit Unions.

Inset: Assets of Credit Unions in Millions of US Dollars, by Region, excluding North America

shown, in outline, how the ICT revolution is opening a space for the civil economy to play an active and in some cases a leading role in production.

I want to touch on three aspects of this revolution:

1. *The return of the micro.* The ICT revolution underpinned a paradoxical feature of globalisation. On the one hand, it has allowed corporations to manage complex systems on a much wider scale. Retailers, who along with banking and the military, were pioneers in the use of the new technology, are now managing up to 80,000 product supply chains to as many as 10,000 stores worldwide with the aid of modern information systems. Such a capacity has been a major factor in corporate global expansion from the 1980s onwards.<sup>9</sup>

On the other, the technology has led to the return of the micro. At the heart of ICT is micro-electronics. Its characteristic capital good is not the large 'satanic mill' of the industrial revolution but the micro-computer, so small that it has now become available to any consumer who can afford a 'smart' phone. In energy generation, solar panels, heat pumps and mini combined heat-and-power boilers turn the home into a power station. The latest machinery used for industrial production can be sized to fit into a garage. Mini-mills have sprung up for the production of steel and for paper. Small is being rendered not just beautiful but economic.

Some of these micro-technologies realise the Gandhian dream of a technology that is open to local control. In brewing, for example, the consumer movement that campaigned against mass-industrialised beer has been able to start up numerous micro-breweries, some owned by their consumers.<sup>10</sup> In other cases these micro-capital goods are part of larger systems: locally-generated domestic energy, for example, may be connected to other micro-suppliers via smart grids; local convenience stores are linked together through retail networks.

This model of distributed systems potentially increases the autonomy of those on the front line as workers, users and communities, by distributing complexity to the margins. It also involves profound institutional and technical changes, calling into question the role of the old, administration-heavy, central institutions (whether corporations and central states or utilities, hypermarkets and hospitals). In many areas it is these 'systems economies' that are more important than 'scale economies', with power and control passing to so-called 'systems integrators'. The key question then becomes who controls the design and management of the systems.<sup>11</sup>

In many parts of the private economy, giant corporations have designed their systems to increase control from the centre. While this allows for a degree of outsourcing, the micro-producers are merely part of a modern, often global, putting out system. But as often it is the micro-producers who have formed and control the systems, enabling them to combine the benefits of autonomy – creativity, flexibility, and motivation – with the advantages of scale, which are provided in this case by inter-firm federations and consortia, and by local intermediary institutions such as banks, colleges, and specialist research centres.

This explains the continued resilience of the Italian and Spanish co-operative industrial districts, the food and livelihood co-ops in Japan, and the small-scale shoe-producers in Brazil; the dominance of the credit unions in Quebec, and the success of the *Mittelstand* in Germany. Up until the 1980s these were regarded as relics of the past.<sup>12</sup> Within 20 years they have been taken up as a model for the future.

The civil economy is at the heart of these systems, involving the household and the local state along with co-operative and family firms, and bound together by strong social bonds – or 'social capital', as it has come to be called. It is a model being adopted in other fields, by energy co-ops, in social care and among networks of co-operative schools, providing an alternative way of governing complex systems.

2. *The new consumer.* The passive consumer of the mass production age is now being recognised as an active producer – or 'prosumer' – in the present one. Of course this has long been the case; it is just that domestic work has not been acknowledged within a market economic model. But now the work of the market is crossing the domestic threshold. One factor is the availability of the micro-capital goods mentioned above. The home is becoming not just a power station but the new workshop: an office, a print works, even a recording studio.

Another factor is the incorporation of consumers into industrial and service production. New flexible production systems are involving consumers in co-design and co-production. Toyota have been a pioneer of these new forms of mass customisation. As a purchaser of a Toyota house – and the company produces 10,000 houses a year – you can spend a weekend with an architect, designer and a whole park of model houses, parts and visualisations, deciding on everything from your new home's shape and size to its decoration and fittings. This becomes an I-house, just as a Dell computer is an



I-computer. Lego even helps its consumers to design their own models.<sup>13</sup>

Much of this relates to individual households being drawn into the world of private market production – that part lying outside the shaded egg-shape in Figure 9.1. But this type of active consumption cannot be contained. Clubs form. Home workers attach themselves to hubs. A social market arises for training, support, advice, and troubleshooting – the things that are required for anyone involved in production.

These trends of prosumption apply even more in services. In expanding environmental services, like recycling, or household energy and water management, the householder plays a key part in the productive cycle. The same is true of relational services, such as health, education, and in many aspects of social care in which the ‘user’ is both the subject and object of production.

Relational services have three characteristics: first, relationship and trust are central to the efficacy of the service; second, there are limits to the extent that labour can be substituted by machinery, since it is the human relationship that remains central; third, each involves not only the user but the voluntary help of those around them. They have been called ‘I-services’, with packages of support assembled around the particular requirements of the user. These packages are often most effective when they are drawn from all the four economic spheres shown in Figure 9.1, with the user and the volunteer working side by side with a supportive professional.<sup>14</sup>

Both the private and public sectors have provided such services, and have sought to adapt to the relational requirements of, say, elder care or higher education. One strand of public sector reform, for example, has been to try and incorporate those involved in the decision-making process. Health and social services have been ‘co-created’ and ‘co-produced’. Greater weight has been given to users, both individually, through personal budgets, or collectively, through feedback websites such as Patient Opinion (<http://www.patientopinion.org.uk>).

It is no accident that these services are the ones that have seen a rapid growth in the civil economy. Social services and early years education have formed the majority of social enterprises in many European countries. In Italy, there are over 7,000 social care co-ops. In the UK there has been a sudden upsurge of co-operative schools. In North America there are long established health co-operatives, and in Japan the food co-operatives have diversified into livelihood co-operatives that include social and elder care.

This new wave of social and educational co-operatives is multi-stakeholder in governance, involving both the users and those providing the service. A typical UK co-operative school, for example, will have members drawn from parents, staff, pupils, a local further education college, the local authority providing the funding, and so on. In this case, as with the Italian and Canadian social co-ops, the civil economy is not separate from and rival to public provision, but rather provides a structure that allows the state to participate, through funding and engagement, alongside the many other civil parties involved.

Multi-stakeholder co-operatives of this kind are emerging as the adequate organisational structure for relational services and they are set to expand. For it is these services which are threatening to overwhelm public budgets; in a number of post-industrial countries, spending on relational services is approaching 25 per cent of GDP and is forecast to increase further. It is the civil economy, not the state, that is expanding in response.

*3. Information.* The ICT revolution has, above all, enabled people to collaborate, both as ‘prosumers’ and citizens. The big change came in 2003, when Silicon Valley realised that the future was less in content than in platforms. As the newspaper industry realises only too well, content is costly. Platforms, on the other hand, create a space for the content of others. These platforms can be ‘enclosed’ and administered as if they were property; the issue for such web platform companies as Facebook or YouTube has been that of any landlord: how to maximise the usage of resources, and then raise a rent on the basis of that usage. With the rise of web-based platforms, capitalism has shifted its axis: from the capturing of profit through control of production to the generation of rent from its informational property. Battles become ones over intellectual property as much as distributional struggles between profit and wages.

That is one way of looking at it. From another perspective, capitalism has provided the infrastructure for a massive increase in the civil economy. The most striking example is the production of knowledge itself. This can no longer be constrained within the traditional structures of property; households are collaborating directly in a new economy of sharing that is treating creativity and knowledge as a social resource, voluntarily developed and freely distributed.

New legal structures have been developed to ensure that this resource is treated as a commons and not a commodity. The Creative Commons licences are one such

## Box 9.3

### Health Care Without Harm

Health Care Without Harm (HCWH; [www.noharm.org](http://www.noharm.org)) exemplifies a new model of global civil knowledge economy. A global campaign and coalition, it was founded in 1996 in response to a study that identified hospital incinerators as the principal source of dioxins in the atmosphere. Hospitals, it turned out, were also a major source of mercury pollution. They made use of a large number of toxic chemicals in their building and their treatments. The fact that hospitals, providers of health care and committed to do no harm, are also principal agents of health-threatening pollutants is a paradox that has been the driver of HCWH's development.

Because hospitals are themselves largely part of the social economy, HCWH has sought to change existing institutions rather than set up alternative ones. It works issue by issue, highlighting the problem (and thus the paradox) and developing an implementable alternative in collaboration with partner hospitals. It then documents the results so others can take up the innovation, and so that it can be incorporated into local and national standards (for example, building regulations) or international ones (World Health Organisation protocols).

To reduce dioxins from incinerators HCWH promoted autoclaves – in effect a pressure cooker for hospital wastes – and as a result has succeeded in cutting the number of hospital incinerators in the US by over 90 per cent. It then targeted the use of PVC in hospital equipment and identified non-polluting alternatives. Next it was mercury in thermometers, whose use, as a result of HCWH's work, has been radically reduced globally. HCWH now covers 13 such issues, from the composition of hospital flooring materials to the content and sourcing of hospital food and the impact of any particular hospital on climate change.

Around each of these issues HCWH forms a coalition of the willing: those with the knowledge and expertise to develop the alternatives, and hospitals open to implementing them. The PVC alternative, for example, was developed in collaboration with sympathetic group-purchasing organisations and medical suppliers. The original incinerator initiative was formed as a coalition of 28 different bodies, and the testing of the first autoclave was done in a religious hospital, run by nuns who were convinced that they had to end incineration.

It is therefore a highly distributed model of organisation and finance. Implementation and funding is local – via existing hospitals. But the information and knowledge is generated and circulated through a global network. There are now nearly 500 partners in this network in over 50 countries – hospitals, medical professionals, community groups, health-affected constituencies, trade unions, environmental organisations and religious groups – all of whom share a commitment to the mission and a readiness to work collaboratively. The central core, funded primarily by foundations, is fewer than 40 staff, and includes specialists who act as consultants.

HCWH has created a particular form of open source economy. Structured around projects, it draws on the collective intelligence of the network and then freely distributes the results of its trials and methods. Instead of intellectual property (IP) it follows the principle of intellectual commons (IC), not simply by posting results and methods but by editing, translating and presenting know-how in a way that can further its application.

The campaign is an active host of a global open knowledge network. It institutionalises dialogue through fortnightly conference calls, workshops and discussion groups, both in order to share problems and as a form of reflective practice. An annual conference draws some 3,000 people. It produces handbooks and model documents, translations of regulatory and procedural regimes, legislation updates and key reports; it has built up an online library of 400 downloadable documents.

By breaking through the barriers that a regime of private IP presents to the generation and diffusion of knowledge, and by its attention to application, HCWH provides a model of how innovation and transformation can be advanced throughout the global social economy. It is already inspiring initiatives on climate change, particularly with respect to public procurement and service design, where governments have been restricted by their substantial dependence on private consultancy and supplier know-how. As a civil organisation committed to the common good, HCWH in effect offers a multi-sourced free consultancy and support service whose results are then shared globally.

**Robin Murray**



example; launched in 2001, they now cover over 400 million works of art (Creative Commons 2011). Similar protection applies to open-source software, a creation of volunteer collaborators that now accounts for two-thirds of the world's basic software.

The primary principle at work is one of openness: open involvement, open access, open source, open knowledge. This has extended the civil economy far beyond the formal structures of NGOs and co-operatives, into a world of informal cooperation. As an idea, it has exploded over the past decade seemingly into every corner of social collaboration. For example:

- common projects (Letsdoit, Mars Mapping and Wikipedia, founded in 2001 and whose 3.7 million entries greatly outstrip the *Encyclopaedia Britannica*)
- giving away (Freecycle, Kiva, Landshare, Jumo)
- sharing (Limewire)
- hosting (roomarama, couchsurfing)
- recommending (Grunhub, Foursquare launched in 2009 with now 6.5 million users worldwide)
- connecting (Diaspora, Gaydar, Netmums, Meet-Up)
- co-consuming (Netflix, zip car)
- co-renting (Zilok, the hirehub, Erento)
- swapping (Thred-up, big wardrobe, swapstyle, Swap.com)
- exchanging (eBay and Craigslist)
- bartering (u-exchange.com, planetgreen)
- financing (Zopa, YES-Secure, Quackle, Profounder, Kickstarter)
- news producing (Reddit).

One of Marx's central theses was that capitalism developed the 'socialisation of labour'. By this he meant the direct organisation of labour within the sphere of production, which he held to be the result of the development of technology.<sup>15</sup> The rise of the Web has seen a remarkable shift into the direct organisation of citizens; in part political, but also increasingly economic. It is a socialisation of civic life, extending the socialisation based on physical proximity to the open medium of cyberspace.<sup>16</sup>

## The Civil Economy and Globalisation

How far is this expanding civil economy global? Some of its elements are clearly so, as is the case with fair trade. There has been a steep rise in the number of international NGOs from 1989 (from 5,000 to 27,000 in 1999 and to around 55,000 in 2010), and NGOs now administer an

estimated 15 per cent of all overseas aid. Some projects extend overseas through social franchising, as is the case with Freecycle, an Arizona-based project to promote the re-use of products by a form of eBay without payment. Within ten years they have developed 4,000 local chapters in 85 countries with 8 million members (Freecycle 2011). Another example is Habitat for Humanity, with its franchised system for both financing and building low-cost housing.

In contrast, the responses of those marginalised by neoliberal globalisation have been framed in direct opposition to it. Whereas in the 1930s the effects of depression led to demands for more autarchic national economies, the recent post-globalisation crises have sought to develop self-reliant local economies. They emphasise the local against the global. They argue for an economy driven by values rather than value. And they see their projects in terms of an extension of economic democracy that is best realised at a local, micro, level.

There has been a similar emphasis in the environmental and food movements, dissolving the global into innumerable locals, as a means of reducing transport, increasing resilience, and redirecting the appetite for cheap globally-produced commodities towards a richer form of civic life. They have championed everything local: local energy systems, local closed loop recycling, local sourcing and locally-integrated food chains. The remarkable growth of the transition towns movement ([www.transitionnetwork.org](http://www.transitionnetwork.org)) which seeks to support each member town or neighbourhood in developing its own self-reliant low-carbon economy embodies this approach. Globalisation of the mainstream economy and the tensions to which it has given rise has in this way provoked its opposite, an intensely local, self-governing, socially embedded alternative.

It is, however, only one side of the story. For while material production may be local, the networks and communications that connect them are uninhibitedly global. The internet has allowed global communities of practice to mushroom. Networks like Zero Waste International (<http://www.zwia.org>) compare experiences, share information, form research consortia, and develop common curricula and training materials. They mutually diffuse know-how not through cross-licensing or corporate expansion, but through the free circulation of people and information, with a regular round of conferences, workshops, visits, speaking tours, exchanges, and assignments.

Some have developed international advisory networks that act as a 'civil civil service' for projects in the social economy. A striking example is Healthcare Without Harm, an initiative started in the US in the mid 1990s to make hospitals less hazardous to health – initially by closing down incinerators, but then expanding into finding alternatives to the use of PVC medical apparatus, mercury thermometers, and so on (see Box 9.3). It is now an international network of over 500 social organisations sharing a common goal and a network that identifies relevant innovations globally, and gives advice on how they can best be applied.

In many fields, civil projects and their networks have become a principal channel for the local generation and global diffusion of social and environmental innovation. A good example is the Bio Regional environmental group. One of its projects has been to produce local recycled office paper with an input of straw or hemp, but in starting the project the group encountered a global problem: black liquor effluent is produced by this process. Bio Regional has spent 14 years researching a solution, and is now prototyping a mini-mill with the aim of making the technology available worldwide, thus preventing the closure of similar recycling projects in India and China. As with its parallel development, a now iconic model of zero-carbon housing in South London, Bio Regional's process of innovation has involved those from every sub-economy shown in Figure 9.1; and, as with open-source software, the results have been shared freely. Most recently, the group posted detailed building information and blueprints about its zero-carbon housing on the internet (Bio Regional 2011).

The idea of the civil economy as global information applies even more so to the cyber economy. Linux is produced through global collaboration. So is Wikipedia and all the growing number of projects that are based on the 'crowd-sourcing' of ideas. Medical websites for those with common medical conditions are global. Universities are placing their course content and even their recorded lectures on the internet, free to download. Around 20 per cent of the 250,000 students enrolled at the British-based Open University are from overseas, with their own support systems of local tutors and study groups, coupled with virtual conferences, chatrooms and lectures (Open University 2011). As improving language translation programmes remove the barrier of language, we can see these as examples of hyper-globalisation.

The internet has swept away the geographical and property frontiers of information. We now have not

just Médecins sans Frontières and 'Engineering sans Frontières', but *information sans frontières* taken to a new level. The traditional environmental slogan 'think globally and act locally' can be rephrased as 'click globally and produce locally'.

The first decade of the twenty-first century has witnessed a historically unprecedented expansion of a civil global information and knowledge economy, side by side with a multiplicity of initiatives that, seen from within, are experienced as local and self-reliant in character, but viewed from without comprise a highly distributed network of material and service production. They are not bound by the chains of ownership or by being a small cog in an interdependent global wheel, but rather connected together through the movement of people and the free circulation of ideas. Because significant parts of this civil economy have developed in opposition to the mainstream and are democratically rooted, these scattered initiatives can be seen as examples of globalisation from below. But we might equally describe it as a globalism of the head and the heart, rather than the hand.

## Conclusion

The civil economy is commonly regarded as an economy of small things, marginal to the main action in the economy of the large ones. It is the lamb next to the lion. Yet over the past decade, as the lion has run into difficulties the lamb has grown, and now plays an ever more significant role in the global economy. This is partly due to its distinctive relational and motivational quality, and to its reintegration of the social and the personal with the economic. It is also because of the freedom from the constrictions of property intrinsic to an economy based at least partially on information.

I have described it as a hybrid of force fields rather than as a distinct 'third' sector, with clear boundaries and legal forms. In practice the interfaces between the different spheres of the hybrid are in constant movement, particularly that between the civil economy and the state. One opinion holds that the civil economy is an alternative to the state, another that it is a staging post to privatisation. Neither is inherent. Both the state and the civil spheres are part of a social economy, often in pursuit of common aims but subject to different structural political forces.

Which leads us to one of the major challenges to be met as the social economy grows: how to reintegrate the state and the civil spheres. Some of the projects that I have described in this chapter suggest possible answers:



new forms of public-social partnerships, and the closer involvement of civil society in the shaping of the public economy. Here, it is movements in the global South that have been pioneers, from planning and literacy campaigns in Kerala to participatory budgeting in Brazil. Such initiatives have now spread to Latin America more generally, and are now showing, through their practice, how to heal that conceptual split introduced by nineteenth-century liberal theory – the forced separation of the economic and the political.

## Notes

1. On the history of the theory of the civil economy see Bruni and Zamagni (2007); for Adam Smith and moral economy see Phillipson (2010).
2. Bruni and Zamagni (2007) have sought to reintroduce the tradition of civic humanism into the contemporary concept of civil society. They argue that the market economy needs to re-internalise the principles of equity and reciprocity alongside equivalence and efficiency, and re-orient itself from the production of goods to the strengthening of relationships.
3. See also *Princeton Encyclopaedia of the World Economy* (2009).
4. 57 per cent of the active larger US foundations were established since 1990, 26 per cent of the total in the last decade. See Foundation Center (2011).
5. One example is the Kuapa Kokoo Farmers Union in Ghana, started in 1993 with 1,000 cocoa farmers and now grown to 45,000 in 1,200 village societies, and part-owners of Divine, the UK- and US-based fair trade chocolate company. For a recent review of fair trade in its character as a social movement see Bowes (2010).
6. The British data are based on the annual survey of small business. A later study of for profit entrepreneurs found that many of them saw themselves as social enterprises reinvesting their profits to further their social purposes, suggesting that this would increase the number of UK social enterprises to 232,000. See Hidden Social Enterprises, Delta Economics and IFF Research (2010). For Europe see Borzago and Defourny (2001).
7. See Restakis (2010: ch. 9). He also has a striking chapter on the Calcutta sex worker co-operative that started in 1995 as a means of regulating the sex trade, and which now has over 12,000 members.
8. The development of such active labour market policies via social enterprises in 15 European countries is described in Borzago and Defourny (2001).
9. Walmart is an example. It is the world's largest retailer with sales of \$422 billion a year, 8,500 stores in 50 US states and 15 countries. By the 1980s it operated a satellite system that enabled communication and electronic scanning throughout the store, supplier and distributor networks. Data from the point of sale could be transmitted to the headquarters or to a supplier's distribution centres instantly, and an Electronic Data Interchange (EDI) system with its

3,600 suppliers enabled a just in time, 24-hour restocking of its shops.

10. The US has now 1716 micro-breweries, the surge in growth taking place since the 1990s. In the UK such steep growth has been over the past decade, with the number of micro-breweries now reaching nearly 700. On micro-brewing as the outcome of a social movement in the US see Rao (2009).
11. See Prencipe et al. (2003) and Davies and Hobday (2005). Their concern is with complex products and systems principally in the capital goods sector, such as flight simulators, electricity network control systems, superserver networks, and electronic retail networks.
12. The first book to alert the English-speaking world to the economic vibrancy of these industrial districts was Michael Piore and Charles Sable (1984). On similar districts in the South see Schmitz (1989) and Navdi and Schmitz (1994).
13. Firms are also turning to their customers for feedback and intelligence. Users have become a key source for innovation (second only to employees, according to the EU's Community Innovation Survey).
14. See Cottam (2011) for the outlines of a new model of welfare services based on this approach, as well as Zuboff (2010).
15. The emphasis on the socialisation of labour in Marx and its forms of commensuration was one of the lasting contributions of Alfred Sohn-Rethel: see Sohn-Rethel (1978) Part III.
16. The trend towards collective consumption is discussed in Botsman and Rogers (2011).

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